



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

April 18, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**SENATE BILL 1953 SEISMIC RETROFIT PROGRAM
VARIOUS MEDICAL CENTERS
AUTHORIZE EXTENSION REQUEST FOR DEADLINE COMPLIANCE
AUTHORIZE COMPLIANCE PLANS REVISION
AWARD SUPPLEMENTAL AGREEMENT 11
TO CONTRACT PW-11917
SUPERVISORIAL DISTRICTS 2, 4, AND 5
3 VOTES**

**JOINT RECOMMENDATION WITH THE DIRECTORS OF HEALTH SERVICES AND
PUBLIC WORKS THAT YOUR BOARD:**

1. Authorize submission of a request to the Office of Statewide Health Planning and Development (OSHPD) for extension of the compliance deadline for Senate Bill 1953 seismic retrofit requirements at Harbor-UCLA; Martin Luther King, Jr./Drew; and Olive View-UCLA Medical Centers and Rancho Los Amigos National Rehabilitation Center (RLANRC).
2. Authorize submission to OSHPD of revised SB 1953 compliance plans reflecting the deadline extensions at the referenced hospitals and the conversion of High Desert Hospital into an outpatient facility following OSHPD's approval of the extension requests.
3. Approve and authorize the Director of Public Works to execute Supplemental Agreement 11 to Contract PW-11917 with URS Corporation (formerly known as Dames & Moore), to prepare the extension applications and supporting documents, revise the compliance plans to

reflect the extensions and conversion, and respond to OSHPD's ongoing review comments on the SB 1953 Evaluation reports for a not-to-exceed fee of \$260,020.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommended actions to seek extensions to the January 1, 2008, SB 1953 retrofit deadline will enable the County to phase the construction at the impacted hospitals in a manner that minimizes simultaneous disruption to their ongoing services, resulting in the ability to more effectively deliver healthcare services during the construction period. The extensions will allow for completion of the required retrofit work while minimizing operational impacts to emergency, surgery, intensive care units, and other key departments across the affected facilities.

In addition, extending the compliance deadlines will provide your Board with the option to pursue and complete several proposed projects. These projects include the RLANRC Acute Care Addition project, the Harbor-UCLA Surgery/Emergency Replacement project, and the Olive View-UCLA Emergency Room Replacement and Tuberculosis Unit project. Approval, construction and completion of the latter two projects will enable the County to meet SB 1953 requirements at critical care areas specific to the two projects and thus allow for the deletion of related retrofit scopes from the SB 1953 program. We plan to return to your Board to request authorization for these projects on an individual basis.

With your Board's approval, we will request OSHPD's acceptance of the following compliance deadline extensions and will work toward implementing a comprehensive and phased construction schedule.

Hospital	Construction Completion Indicated in Compliance Plan	Revised Construction Completion	Requested Extension Date
Harbor-UCLA Medical Center	October 2007	April 2012	January 1, 2013
High Desert Hospital (1)	May 2005	Not Required	Not Required
Martin Luther King, Jr./Drew Medical Center	August 2007	June 2012	January 1, 2013
Olive-View UCLA	May 2007	June 2010	January 1, 2011
Rancho Los Amigos National Rehabilitation Center (2)	June 2007	December 2012	January 1, 2013

- (1) The conversion of High Desert Hospital into an outpatient facility exempts it from the requirements of SB 1953.

- (2) On a separate item on this Agenda, we are seeking approval for the Rancho Los Amigos National Rehabilitation Center Acute Care Addition, which is intended to replace the existing critical care departments.

Program Background

On January 29, 2002, your Board awarded architectural/engineering contracts to various firms to design the structural and nonstructural seismic retrofit required to comply with the January 1, 2008, SB 1953 deadline for the County's acute care hospitals. Since that time, Public Works has been working with the designers to complete seismic retrofit designs that include move management and phasing plans.

Under the original construction strategy, significant and simultaneous construction work would occur at all four hospitals for approximately 2 years. The nature of this construction requires the temporary relocation and subsequent reoccupation of critical care departments within the hospitals, which can pose significant operational disruption. Simultaneous construction at the hospitals exacerbates these disruptive impacts and creates additional strain on the County's health care system.

For example, at Harbor-UCLA and Martin Luther King, Jr./Drew Medical Centers, such simultaneous and ongoing construction work would be occurring in key acute care departments such as emergency, surgery, and intensive care units. As both hospitals currently operate at full or near full capacity in these key critical departments, the simultaneous retrofit at the two hospitals would diminish the availability of these services to a potentially unacceptable level for the community.

We, therefore, recommend that your Board authorize the Chief Administrative Officer, the Acting Director and Chief Medical Officer of Health Services, and the Director of Public Works to seek extensions to OSHPD's January 1, 2008, deadline. These extensions will enable the County to appropriately phase construction on the four remaining SB 1953 Seismic Retrofit projects and continue services at RLANRC while the design and construction of an acute care addition is finalized. The overall result of these actions will improve our ability to better manage the impact on services to County residents, especially for emergency care to the indigent population for whom the County is the sole provider of hospital services.

Compliance Plans Revision

Together with the applications for the deadline extensions, SB 1953 regulations require that revised SB 1953 compliance plans be submitted to OSHPD for approval. The SB 1953 compliance plans, adopted by your Board on December 5, 2000, currently show that retrofit work for the affected hospitals will be completed before the January 1, 2008, deadline without requiring extensions. Therefore, with the deadline extensions requested above, it is also recommended that your Board authorize revisions to the compliance plans for Harbor-UCLA; Martin Luther King, Jr./Drew; and Olive View-UCLA Medical Centers, and High Desert Hospital and RLANRC for resubmission to OSHPD.

Supplemental Agreement for Consultant Services

On January 5, 1999, your Board awarded Agreement PW-11917 to URS to provide seismic evaluations and compliance plans for hospital buildings at the six County medical centers. The proposed Supplement 11 to this agreement provides for URS to prepare documentation for the extension applications and to revise the compliance plans.

Due to its heavy workload and the State's hiring freeze, OSHPD delayed full review of the evaluation reports submitted in December 2000. In the first quarter of 2002, we started receiving questions and comments from OSHPD regarding the evaluations and compliance plans. URS' original Agreement did not anticipate that OSHPD would pose these questions, nor did it anticipate the effort required to respond to them. In addition to completing the extension application, related documentation, and compliance plan revisions referenced above, the requested funds and time extension to the Contract will also allow URS to completely respond to the OSHPD review comments.

Implementation of Strategic Plan Goals

These actions are consistent with the County Strategic Plan Goal of Organizational Effectiveness as the proposed recommendations will allow the County to provide services in a more efficient and cost-effective manner. These actions will further the County Strategic Plan Goal of Service Excellence by minimizing the disruption of services during construction of the projects to the greatest extent possible and are also consistent with the County Strategic Plan Goal of Fiscal Responsibility as the projects are an investment in public infrastructure.

FISCAL IMPACT/FINANCING

While the current fiscal impact associated with authorizing the compliance extensions is limited to consultant fees of \$260,020 as explained below, the phased construction strategy associated with the extensions will result in a fiscal impact to each individual project. We plan to return to your Board to request authorization for any additional project funds on an individual project basis.

The following represents the projected total project cost estimates for each of the affected hospitals:

Harbor-UCLA Medical Center (C.P. 86534)

For the Harbor-UCLA SB 1953 project, we estimate that a total of approximately \$65 million will be required, which includes the retrofit of departments that can potentially be deleted should your Board authorize construction of the Surgery-Emergency Replacement project. We are quantifying the actual budget impact and plan to return to your Board to request authorization of the funds at a later date.

High Desert Hospital (C.P. 86535)

The conversion of High Desert Hospital into an outpatient facility enabled the deletion of this project from the SB 1953 program.

Martin Luther King, Jr./Drew Medical Center (C.P. 86536)

For the Martin Luther King, Jr./Drew SB 1953 project, we estimate that a total of \$76,900,000 will be required. We plan to return to your Board to request authorization of these funds at a later date.

Olive View-UCLA Medical Center (C.P. 86537)

At this time, the \$23,600,000 total project budget remains unchanged.

Rancho Los Amigos National Rehabilitation Center

The total project cost estimate for the Rancho Los Amigos National Rehabilitation Center Acute Care Addition is \$42,000,000. This project is intended to replace the existing critical care departments at RLANRC. On a separate item on this Board Agenda, we will request that your Board establish this project.

The project costs will initially be funded through the issuance of Tax-Exempt Commercial Paper and ultimately financed through long-term bonds. The CAO and Treasurer and Tax Collector will return to your Board with financing recommendations in a separate Board letter.

Supplemental Agreement for Consultant Services

In applying for an extension to the SB 1953 deadline, OSHPD requires backup documentation and analysis that substantiates the need for the extension. If the recommendation to apply for extension is approved, the compliance plans that outline the overall strategy for each affected campus needs to be revised. Additional tasks related to SB 1953 compliance needs to be integrated, including responding to additional OSHPD comments and questions, meetings with OSHPD, and management and supervision of third-party consultants. All of these tasks are included in the scope of this Supplemental Agreement.

URS proposes to prepare the extension documents to revise the compliance plans and to perform various related tasks on an as-needed basis for a not-to-exceed cost of \$260,020.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the original SB 1953 legislation, hospitals can request up to a 5-year extension of the retrofit deadlines based upon diminished capacity. On March 1, 2002, OSHPD issued procedures allowing hospital owners to request extensions on individual buildings in full-year increments up to 5 years. We have discussed system wide deadline extensions with OSHPD, which they have agreed to take under consideration.

ENVIRONMENTAL DOCUMENTATION

Approval of the recommended actions will have no environmental impact.

Appropriate environmental documentation for each project will be submitted to your Board for approval before advertising for bids.

CONTRACTING PROCESS

On January 5, 1999, your Board authorized Public Works to award a Consultant Services Agreement to URS to provide seismic evaluations and compliance plans for hospital buildings at the six County medical centers for a not-to-exceed cost of \$4,840,000. On May 16, 2000, your Board authorized Public Works to execute Supplemental Agreement 1, for an additional not-to-exceed cost of \$1,293,000, to provide additional seismic evaluation services and conceptual move management planning. Supplemental Agreements 2 through 10 were executed under delegated authority with a combined value of \$159,980. Approval of Supplemental Agreement 11 would increase the total contract amount to \$6,553,000 and extend the contract term until December 31, 2008.

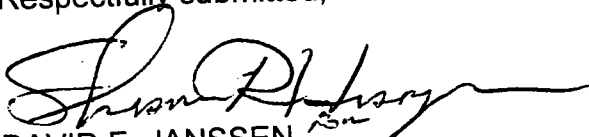
IMPACT ON CURRENT SERVICES (OR PROJECTS)

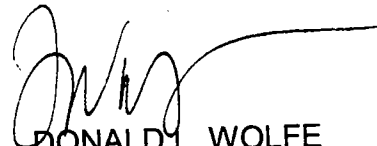
Approval of the recommended actions will allow the County to better manage the overall SB 1953 compliance program in a comprehensive manner, which will minimize the disruption of key medical services to the public.

CONCLUSION

Please return an adopted copy of this letter to the Chief Administrative Office (Capital Projects Division), Health Services, and Public Works.

Respectfully submitted,


DAVID E. JANSSEN
Chief Administrative Officer


for DONALD L. WOLFE
Director of Public Works


BRUCE A. CHERNOFF, M.D.
Acting Director and Chief Medical Officer

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Enc.

cc: County Counsel

ENCLOSURE

BUDGET SUMMARY FOR CONSULTANT CONTRACT PW-11917

Budget Category	Board Approved Project Budget	Contract Revisions Under Delegated Authority	Impact to Contract of this Action	Revised Project Budget
<u>C.P. 86241 (Seismic Evaluation)</u>				
Consultant Services	\$ 5,573,000	\$ 551,279	\$ 0	\$ 6,124,279
Supplemental Services Allowance (10%)	<u>560,000</u>	<u>(551,279)</u>	<u>0</u>	<u>8,721</u>
Subtotal	\$ 6,133,000	\$ 0	\$ 0	\$ 6,133,000
County Services				
Project Management & Engineering Review	\$ 980,000	\$ 0	\$ 0	\$ 980,000
Contract Administration	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>70,000</u>
Subtotal	\$ 1,050,000	\$ 0	\$ 0	\$ 1,050,000
Jurisdictional (OSHPD) Review Fees	\$ 120,000	\$ 0	\$ 0	\$ 120,000
TOTAL FOR C.P. 86241	\$ 7,303,000	\$ 0	\$ 0	\$ 7,303,000
<u>C.P. 86249 (NPC-2 Project)</u>				
Consultant Services Budget for the contract				
Consultant Services	\$ 0	\$ 45,000	\$ 0	\$ 45,000
Supplemental Services Allowance	<u>45,000</u>	<u>(45,000)</u>	<u>0</u>	<u>0</u>
Subtotal	\$ 45,000	\$ 0	\$ 0	\$ 45,000
TOTAL FOR C.P. 86249	\$ 45,000	\$ 0	\$ 0	\$ 45,000
<u>C.P. 86628 (Additional Seismic Evaluation)</u>				
Consultant Services Budget for the contract				
Consultant Services	\$ 0	\$ 114,980	\$ 260,020	\$ 375,000
Supplemental Services Allowance	<u>375,000</u>	<u>(114,980)</u>	<u>(260,020)</u>	<u>0</u>
Subtotal	\$ 375,000	\$ 0	\$ 0	\$ 375,000
County Services				
Project Management	\$ 60,300	\$ 0	\$ 0	\$ 60,300
Contract Administration	<u>13,200</u>	<u>0</u>	<u>0</u>	<u>13,200</u>
Subtotal	\$ 73,500	\$ 0	\$ 0	\$ 73,500
Jurisdictional (OSHPD) Review Fees	\$ 1,500	\$ 0	\$ 0	\$ 1,500
TOTAL FOR C.P. 86628	\$ 450,000	\$ 0	\$ 0	\$ 450,000
TOTAL BUDGET	\$ 7,798,000	\$ 0	\$ 0	\$ 7,798,000